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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Trade and Development Board

Advisory Services on Trade Documentation

TRADE DOCUMENTATION INFORMATION

SIMPLIFIED TRADE PROCEDURES IN THE PHILIPPINES

(Note by the Inter-regional Adviser on Trade Documentation)

I. CREATION OF MACHINERY FOR PROMOTION OF FOREIGN TRADE AND SIMPLIFICATION OF TRADE PROCEDURES

1. By Presidential Executive Order (No.115) of 26 January 1968, a Philippine "National Export Co-ordinating Center" (NECC) was created to facilitate processing of export permits, licences, clearances and papers of similar nature and the receipt of fees therefor. In a preamble, it is stated that it is the avowed policy of the Philippine Government to promote and increase export trade in order to realize more foreign exchange receipts and establish a favourable balance of trade; and that one vital deterrent to the rapid expansion of Philippine foreign trade has been the decentralized state of government offices and agencies through which export papers have to pass before exports are dispatched, resulting in unnecessary waste of time and money and sometimes cancellation of orders for Philippine products.

2. The NECC has the following powers and duties:

(a) To co-ordinate all functions pertaining to the granting of clearances, permits and licences and other documents and payment of fees that are required for the exportation of goods from the Philippines, at present being undertaken by various offices and agencies;

(b) To up-date, simplify and improve the issuance of export papers;

(c) To eliminate barriers to the smooth and expedient flow of export goods; and

(d) To establish, where necessary, branches of the Center in other places in the Philippines where there are ports of entry.

3. The NECC is staffed by personnel, both technical and clerical, provided by government offices and agencies concerned, such as:

(a) Bureau of Commerce
(b) Bureau of Internal Revenue
(c) Central Bank of the Philippines
(d) Philippine Tobacco Administration
(e) Philippine Virginia Tobacco Administration
(f) Bureau of Fibre Inspection Service
(g) Parks and Wildlife Office
(h) Philippine Coconut Administration
(i) Philippine Fisheries Commission
(j) Sugar Quota Administration
(k) Bureau of Animal Industry
(l) Bureau of Forestry
(m) Food and Drug Administration
(n) National Cottage Industries Development Authority
(o) Bureau of Plant Industry
(p) Bureau of Customs
(q) Bureau of Standards.

4. The management of the NECC is vested in the Export Co-ordinator, appointed by the President, with the rank of Under-Secretary of Department. The NECC, through the Export Co-ordinator and with the approval of the President, is authorized to prescribe such rules and regulations as are necessary to carry out the provisions of the Executive Order.

5. By another Executive Order (No.148) of 17 September 1968, simplified procedures are established for the commodity control agencies, centralizing their processing of export papers in one place, located at the Bureau of Customs, Manila, and supervised by an Officer-in-Charge designated by the NECC.

6. In a third Executive Order (No.205) of 9 January 1970, a Foreign Trade Council is created, under the chairmanship of the Secretary of Commerce and Industry, and comprising the Secretaries of Finance (vice-chairman) and Justice, the Director-General of the Presidential Economic Staff, the Chairman of the Board of Investments, the Governor of the Central Bank, the Chairman of the Development Bank of the Philippines, a representative of the Department of Foreign Affairs, and the Export

Co-ordinator as member and executive officer. The functions of the Council are to formulate guidelines and policies for the development of exports, including such related matters as shipping and insurance; to co-ordinate the activities of all government agencies involved in the promotion of foreign trade; and to oversee the implementation of policies and directives with this aim. The participation of the private sector is to be secured in order to carry out effectively the objectives of the Orders.

II. SIMPLIFIED EXPORT PROCEDURE

7. The centralization of the commodity control services as mentioned above meant in effect a very significant facilitation of procedure for exporters, reducing the time required for controls from several days to a couple of hours.

8. The NECC has also simplified export procedure in general, with a resulting very considerable reduction of paperwork, reducing the traditional procedure from twenty-five (25) to thirteen (13) steps.

9. A third, and even more significant, measure of facilitation is that offered by the adoption of a set of rules and regulations to expedite and simplify the export procedure for exporters registered with the Board of Investments. By this "Simplified Export Procedure", existing pre-exportation clearance procedure is reduced exclusively for such registered exporters from the thirteen steps mentioned above to three (3) basic steps. The simplified procedure applies to registered exportable products specified in the exporters' Certificate of Registration.

10. The three steps under the simplified procedure are:

(1) To apply for export permit at the Central Bank.
(2) To forward commercial invoice, export permit and commodity clearance (issued annually or at regular intervals) to the Export Co-ordinating Department.
(3) To load the goods and obtain clearance from Customs.

III. SIMPLIFIED EXPORT DOCUMENTS

11. To deal with the simplified export procedure, a series of aligned forms based on the ECE layout key has been designed. The series also includes, however, the additional forms required for non-registered exporters, who, although the simplified export procedure is not applicable, are thus offered the benefits of simplified documentation. The aligned series includes the following forms:

Master
Application for export permit (a)
Report on foreign sale (b)
Application for export licence (with dollar proceeds) (b)
Application for export licence (without dollar proceeds) (b)
Export entry (b)
Application for commodity inspection
Commodity inspection certificate
Certificate of origin
Bill of lading (ICS International Standard)
Certificate of Insurance
Continuation sheets.

12. The document marked (a) is the only one required in the "Simplified Export Procedure", while those marked (b) should be used by other than registered exporters.

13. The NECC will publish a booklet "Standard Documents in Aligned Series", presenting the new aligned forms in a way similar to that employed in earlier publications from the United Kingdom, Australia, Hong Kong and other countries.

14. The new aligned forms are expected to come into practical use within the next few months.